

COMMISSIONER OF THE REVENUE

DESCRIPTION

The Commissioner of the Revenue's Office is a tax assessment and administration agency committed to courteous, fair, and consistent service to the citizens and administration of Chesterfield County. The Commissioner of the Revenue is elected by the citizens, and the office is responsible for assessing individual and business personal property returns, reviewing and processing state income tax returns,

issuing business and professional licenses, and administering the real estate tax relief program for the elderly and disabled. The Commissioner also has responsibility for administering local taxes such as consumer utility, bank stock, short-term rental, transient occupancy taxes, and public service corporation taxes.

FINANCIAL ACTIVITY

	FY2002 Actual	FY2003 Adopted	FY2004 Biennial Planned	FY2004 Adopted	Change FY2003 to FY2004	FY2005 Projected	FY2006 Projected	FY2007 Projected
Personnel	\$1,924,126	\$1,976,300	\$1,976,300	\$2,004,000	1.4%	\$2,004,000	\$2,004,000	\$2,004,000
Operating	256,837	294,800	294,800	316,400	7.3%	328,400	328,400	328,400
Capital	<u>231</u>	<u>1,500</u>	<u>1,500</u>	<u>12,000</u>	700.0%	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$2,181,194	\$2,272,600	\$2,272,600	\$2,332,400	2.6%	\$2,332,400	\$2,332,400	\$2,332,400
Revenue	<u>513,355</u>	<u>479,500</u>	<u>479,500</u>	<u>473,000</u>	-1.4%	<u>473,000</u>	<u>473,000</u>	<u>473,000</u>
Net Cost	\$1,667,840	\$1,793,100	\$1,793,100	\$1,859,400	3.7%	\$1,859,400	\$1,859,400	\$1,859,400
FT Pos.	45	45	45	45	0	45	45	45

BUDGET ANALYSIS AND EVALUATION

The Commissioner of the Revenue's Office continues to provide a high level of customer service to Chesterfield's citizens and taxpayers. During 2003, the department continued implementation of the Personal Property Rewrite System, an in-house software program that will automate several manual processes and allow for more efficient data entry and reporting flexibility. The personal property assessment system was installed in November 2002 and additional modules will be added over the next few years. The Commissioner's Office continues to meet and exceed performance goals and meet processing deadlines that are either statutorily or self-imposed.

The department has completed implementation of the DMV Statutory Assessment process. This process continues to have a positive impact on the department's ability to serve the public with as little inconvenience to customers as possible. The

Commissioner's Office receives information directly from the Department of Motor Vehicles when a vehicle is transferred into or out of the county or when a person registers a new vehicle that will be garaged in Chesterfield County. The Commissioner's Office can then automatically register the vehicle in the county's system and generate an assessment, eliminating the need for a taxpayer to visit county offices to handle these transactions.

The Commissioner of the Revenue's Office is significantly impacted by county ordinance changes pertaining to taxation. Several ordinance changes in the area of business licenses have occurred over the past five years, and the Commissioner's Office has adapted to those changes and maintained a focus on customer service in assisting taxpayers with those changes.

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As a constitutional officer, the Commissioner receives reimbursement from the State Compensation Board for a portion of salaries and office expenses. Reimbursements from the State Compensation Board were reduced at the time their FY2003 budget was adopted and again in late 2002. The FY2004 budget reflects a direct cut to the Commissioner's anticipated revenue for FY2004 compared to FY2002 actual revenue of close to \$40,000. The reduction in revenue has required greater local support for the Commissioner of the Revenue's Office. The final Compensation Board budget will be determined by May 1, 2003, and may result in further reductions to the Commissioner's budget.

The 2003 session of the Virginia Assembly will be considering giving authority to local Commissioners of the Revenue to become agents of the Department of Motor Vehicles. This may require additional personnel as well as capital costs related to

providing this service. It is anticipated that the cost of providing these services will be offset by earned commissions from DMV.

The department was able to fund slight increases in the FY2004 operating lines for such items as postage and service contracts from other areas of their budget. Capital expenditures planned for FY2004 include the replacement of furniture, personal computers, and computer upgrades.

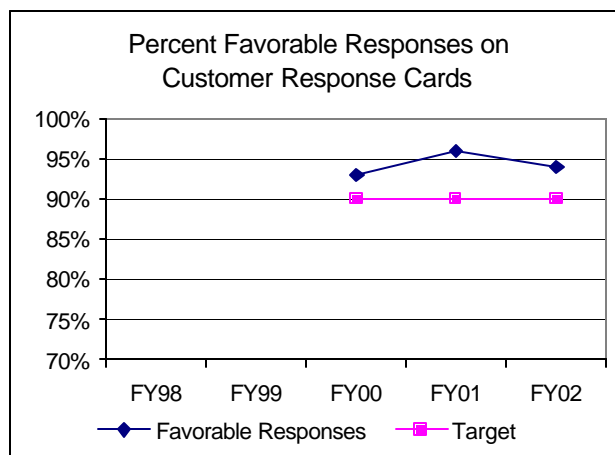
During FY2004 the Information Systems Technology Department will continue working on several previously funded technology improvement projects for this office. These projects involve creation of capabilities to enhance service delivery to customers and include projects such as the application for business licenses and filing personal property tax returns over the Internet.

HOW ARE WE DOING?

Goal: Provide courteous, high quality customer service. Supports countywide strategic goal number 2

Objective: Maintain high degree of efficiency and courteousness to our customers

Measure: Percent of "excellent" or "good" responses on customer response cards



Initiatives

- Continued customer service training
- Departmental culture of excellent customer service
- Maintaining a friendly attitude

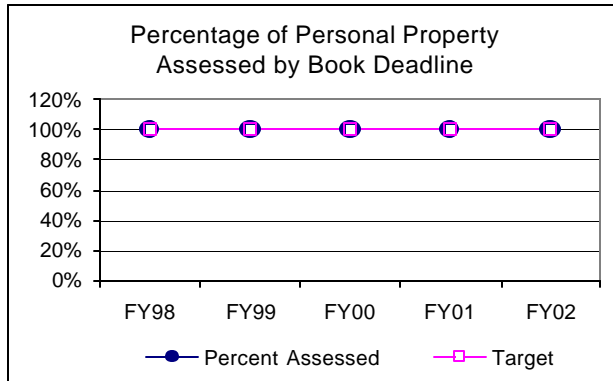
Note: FY2000 was the first year the Commissioner's Office tracked data on the percent of favorable responses.

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Goal: Promote financial integrity by assessing personal property taxes efficiently and with due diligence. Supports countywide strategic goal number 1

Objective: Have the personal property book available for billing as soon as the tax rate is set

Measure: Percentage of personal property assessed by property book delivery date



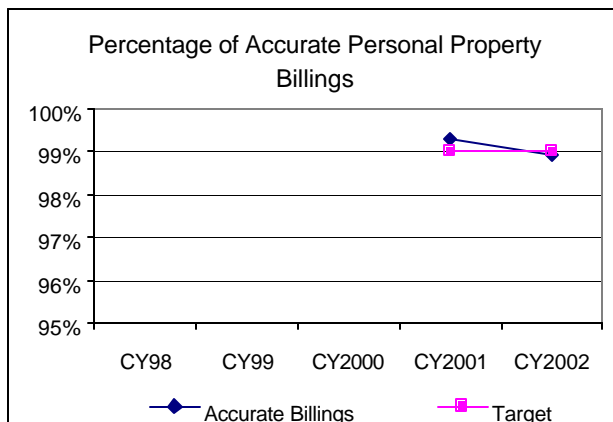
Initiatives

- Adequate staffing levels
- Streamline processes
- Workload management

Goal: Promote financial integrity by assessing personal property taxes efficiently and with due diligence. Supports countywide strategic goal number 1

Objective: Minimize corrections due to incorrect assessments

Measure: Percent of accurate billings



Initiatives

- Supervisory review of data entry
- Automation of assessment processes
- Extensive training and cross training

Note: FY2001 was the first year the Commissioner's Office tracked data on the percent of corrections due to incorrect assessments.

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WHERE ARE WE GOING?

The potential for changes in tax laws and responsibilities has been and will always be a future issue for the Commissioner's Office. Continued changes in the BPOL tax rate structure, anticipated changes in state tax administration, and potential changes resulting from ongoing studies of state and local tax structure will have a dramatic impact on the Commissioner of the Revenue's Office.

The future may also bring additional responsibilities from the General Assembly, the Virginia Department of Taxation, and the Board of Supervisors. This has been demonstrated in the past, as unanticipated changes in responsibility have significantly impacted this office. The department faces the challenge of remaining flexible to accommodate changes and additional responsibilities within a relatively short period of time.

Space will continue to be a future concern for the Commissioner's Office and will involve the need to either expand current facilities or explore new accommodations in conjunction with other tax assessment and collection departments.

The department proposes a three-year cycle for upgrading or replacing computer equipment and peripherals. This would affect 1/3 of the department's technology hardware each year and would ensure the most current technology is available to enhance customer service. Actual needs for upgrades or equipment replacements will be evaluated annually.